



Winston H. Hickox
Secretary for
Environmental
Protection

State Water Resources Control Board

Division of Financial Assistance

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Gray Davis
Governor

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.
For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.swrcb.ca.gov*

August 8, 2003

Mr. George McCandless, LOP Project Director
Site Assessment and Mitigation Program
County of San Diego, Department of Environmental Health
Land and Water Quality Division
P.O. Box 129261
San Diego, CA 129261

Dear Mr. McCandless:

UNDERGROUND STORAGE TANK (UST) LOCAL OVERSIGHT PROGRAM, REIMBURSEMENT TO RESPONSIBLE PARTIES FOR BILLING OF SERVICES

This is in response to your July 24, 2003, letter on the above subject. Your agency is considering the option of billing major oil companies directly to recover oversight costs for their sites. You have asked if the UST Cleanup Fund would reimburse Category D Responsible Parties for these costs. In response, I note that section 2812.2(d) of the Fund regulations states that "Regulatory agency oversight costs of corrective action work are eligible costs." To the extent that the costs were presented as part of an eligible claim that had been issued a letter of commitment and program staff determined that such costs were reasonable and necessary, they could be reimbursed. However, also please note that there are over 4,500 claims awaiting payment on the Fund Priority List, all of which are Category D claims and many of which are major oil company claims, and any reimbursement could not occur until funds become available. Consequently, even those oversight costs are technically reimbursable, practically they might not actually be reimbursed prior to the statutory sunset date for the Fund, which is currently set for January 1, 2011.

Please telephone me at (916) 341-5661 if you have any questions.

Sincerely,

Allan V. Patton, Manager
UST Cleanup Fund

